

NEW INVESTORS CHECKLIST

If you are new to investing, you may find it complicated. Use this checklist to simplify the steps you need to take to make the most of your money.

IF YOU'RE NEW TO INVESTING, START BY TAKING THESE STEPS:

DO A GUT CHECK: WHAT TYPE OF INVESTOR ARE YOU?

- How aggressive do you want to be about growing your money?
- Can you stomach the ups and downs of the market if it means you might have a better chance of reaching your long-term goals? Or are you interested in taking a more conservative approach?
- On a scale from most aggressive to most conservative, where would you rank your tolerance for risk?

IDENTIFY YOUR GOALS.

List your top five financial goals, like saving for college, putting a down payment on a home or funding retirement, and rank them in order of importance.

MAP OUT THE DETAILS.

For each of your goals, estimate the amount of money you'll need, and set a target date for achieving each. Divide them into short-term (1-2 years), mid-term (3-10 years) and long-term (10+ years) goals.

UNDERSTAND THE MOST COMMON TYPES OF INVESTMENTS.

Learn the difference between stocks, bonds, mutual funds and exchange-traded funds (ETFs). Also, understand tax implications for taxable versus tax-deferred investments.

MATCH YOUR GOALS, RISK TOLERANCE AND TIMELINE TO AN ASSET ALLOCATION.

Asset allocation refers to the percentage of your investments that are allocated to each type of investment, often between stocks and bonds. Typically:

- The younger you are, the more risk you can take; so you'd have a higher percentage of your investments in stocks and a lesser amount in more conservative bonds.
- As you get older, you may gradually shift to a more conservative portfolio.

DECIDE HOW YOU'LL INVEST.

You can invest on your own using an online service, or you can invest with the assistance of a financial professional. To decide what's right for you, ask yourself:

- How much money do I have to invest?
- Do I want to spend time researching different investments?
- Do I want total control over my investments, or am I willing to leave it up to the experts?
- Would I pay up-front or management fees to have an expert involved?
- Is it important that my investments are part of a broader financial plan?

Download our investment basics guide for more information:

<https://www.northwesternmutual.com/learning-center/whitepapers/investment-strategies>



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